

VZCZCXRO9051
PP RUEHDE RUEHDIR
DE RUEHAD #1244/01 3041219
ZNR UUUUU ZZH
P 301219Z OCT 08
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 1679
RUEAUSA/DEPT OF EDUCATION WASHINGTON DC PRIORITY
INFO RUEHDE/AMCONSUL DUBAI 8009
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

UNCLAS SECTION 01 OF 02 ABU DHABI 001244

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [PREL](#) [PGOV](#) [ECON](#) [SCUL](#) [PGOV](#) [AE](#)
SUBJECT: WELCOMING SECRETARY SPELLINGS TO ABU DHABI

REF: A) ABU DHABI 619 (MAY 18 CONVERSATION WITH MBZ)

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¶1. (U) Madame Secretary, the U.S. Mission to the United Arab Emirates warmly welcomes your return visit, which presents an opportunity to follow up on your prior interaction with UAE Minister of Education Dr. Hanif Hassan Ali Al Qasimi ("Dr. Hanif") and assess progress on the UAE's ambitious plans for education reform.

¶2. (SBU) You last met Dr. Hanif when he was in Washington for the September 19 "Inclusive Practices for Students with Disabilities Summit." The UAE Embassy also organized a press conference and luncheon at the Ritz Carlton focused on reform, at which Dr. Hanif explained a major review of K-12 education in the UAE. The UAE indeed seeks to revamp education with some emphasis on U.S. models (see paragraph five); the Ministry and education councils in the various emirates are setting up model schools and public private partnership schools while reviewing operations, facilities, teacher qualifications, and learning resources. Upgrading education is an imperative for the UAE, which in spite of its small size wants future citizens and leaders to meet the demands of an increasingly global agenda.

¶3. (SBU) The UAE continues to punch above its weight as a small and in many ways developing nation with global ambitions. The citizen population of about 900 thousand (less than 20% of the 5 million resident population) faces the myriad challenges of running a complex nation in the 21st century -- with education as a core focus that the UAE must calibrate to support its long-range nation-building plans while keeping tabs on the social implications of changes in the education system. On the one hand, added attention to vocational skills and the English language are critical to national economic survival; on the other, the erosion of Arabic studies and the traditional humanities may contribute to the nation's ongoing identity crisis. You will see, as you did in May, a concerted effort to balance these sometimes competing national requirements.

¶4. (SBU) Our bilateral relations with the UAE are broad, deep and enduring. On the security front, we have enjoyed particularly close military engagement for two decades and continue to coordinate on a wide array of common national security interests. The UAE is a key partner, intent on cooperating with us to create a stable economic, political, and security environment in a troubled region. Concerned about regional proliferation, the UAE has been responsive on export control issues. UAE support for Iraq continues to grow, in the forms of debt relief, reciprocal visits, dispatching an Ambassador, and ongoing efforts to use their political influence to bring about stability. Similar shared interests with regard to Lebanon, the Palestinian Authority, Afghanistan, Pakistan and elsewhere keep our two nations closely engaged in daily strategic diplomacy.

¶5. (SBU) The UAE commitment to American scholastic models in primary, secondary and higher education, a generally high respect for the value of American education, and continued support for Emirati nationals studying in the U.S. are positive signs of our

cooperation. The UAE has sought to fill the shortage of higher education services in country by encouraging (rhetorically and financially) American colleges to open branch campuses in the UAE. However, perceptions about visa and airport difficulties, and concerns about encountering negative stereotypes of Arabs and Muslims in the U.S., continue to unsettle and discourage potential students and their parents. Mission UAE issued 639 student visas (F-1) to Emirati nationals in 2007. Other Anglophone countries attract more Emirati students and those countries are devoting increasing resources to focused outreach and marketing toward Emirati and other Gulf audiences. U.S. student numbers are rising, and may reach their pre-9/11 levels in 2009, though that would not equal the historic highs of the 1990s.

¶6. (SBU) In the past five years, the UAE has emerged as an economic powerhouse in the region (our largest export market in the Middle East) and has attained a commensurate level of political influence. Regional leaders look to Abu Dhabi and Dubai for assistance and political support, while Washington and other Western capitals also increasingly seek the UAE's views. The strength of relations with the U.S. is evident in the string of high level USG visitors -- including the President in January 2008.

¶7. (SBU) Despite its resource wealth and exponential growth, the UAE has not been immune to the international economic downturn. Stocks have been battered, liquidity is tight and consumer confidence has declined. The UAEG took a number of steps in October to restore confidence: insuring bank deposits, creating a bank liquidity fund, and reassuring the public that the government was ready and willing to support the economy. Despite these steps, investors remain concerned about local market conditions, particularly Dubai's financial situation and the possibility of a sharp correction in Dubai's large, overheated real estate sector.

¶8. (SBU) For its part, Abu Dhabi's investment portfolio has no

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doubt taken a multi-billion dollar hit in recent weeks, although the rapid pace of development has yet to slow down noticeably. The highest profile investments continue to be driven by wholly or partly state-owned entities, with the weaker private sector largely benefiting from the government's largesse. Most here remain optimistic about the UAE's economic future, partly in view of their optimism that U.S. economic fundamentals will remain strong and a close U.S.-UAE relationship will stand them in good stead.

¶9. (U) Again, we welcome your visit as an opportunity to focus on the strength of our bilateral relations and to expand engagement in the area of education in particular.

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